

Honolulu, Hawaii

MAR 24 2006

RE: H.B. No. 2878
H.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Water, Land, and Agriculture and Business and Economic Development, to which was referred H.B. No. 2878, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST TRADEWINDS FOREST PRODUCTS, LLC,"

beg leave to report as follows:

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Tradewinds Forest Products, LLC with planning, design, constructing, and equipping a veneer mill and cogeneration facility.

Testimony in support of this measure was submitted by the Hawaii Forest Industry Association, Tradewinds Forest Products, and one individual. Comments were submitted by the Department of Budget and Finance.

Your Committees find that a new eucalyptus wood veneer manufacturing facility would have numerous benefits to Hawaii's economy. Those benefits include:

- (1) Stimulating economic development and job growth;
- (2) Expanding the State's promising forest products industry; and



- (3) Producing non-petroleum-based electric power for public consumption from local renewable resources, helping the State to meet renewable energy goals.

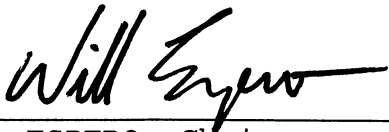
This measure authorizes the issuance of special purpose revenue bonds to Tradewinds Forest Products, LLC to:

- (1) Establish a veneer mill and an associated cogeneration plant; and
- (2) Finance the planning, design, and construction costs for the facility.

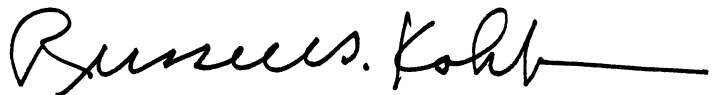
Your Committees determine that in order to ensure further discussion on the matter, the effective date of the Act should continue to remain July 1, 2020.

As affirmed by the records of votes of the members of your Committees on Water, Land, and Agriculture and Business and Economic Development that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2878, H.D. 1, and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Water, Land, and
Agriculture and Business and
Economic Development,



WILL ESPERO, Chair



RUSSELL S. KOKUBUN, Chair



Record of Votes of the Committee on Water, Land and Agriculture (Bills and Resolutions)

*Do not list more than one measure per Record of Votes.

Record of Votes of the Committee on Business and Economic Development (Bills and Resolutions)

*Do not list more than one measure per Record of Votes.